

Kbb.com: Japanese, Domestic Vehicle Incentive Battle Imminent; Car Shoppers to Benefit

Consumers In-Market for New Car Can Expect Attractive Deals near Year-End

IRVINE, Calif., Sept. 12, 2011 /[PRNewswire](#)/ -- Kelley Blue Book www.kbb.com, the leading provider of [new car](#) and [used car](#) information, today reports that it anticipates strong incentives late in the year in the form of cash and attractive lease offerings, as covered in the company's [Blue Book Market Report for September 2011](#). As the Japanese replenish inventory and begin to throw cash on the hood, expect to see the domestics follow suit, setting off an incentive battle.

Prior to the earthquake, Japanese brands were consistently capturing close to 40 percent of all United States sales, but since April they have seen their monthly share of sales dwindle to nearly 30 percent. As Japanese production facilities return to full capacity in the near future, expect to see strong incentive support from these manufacturers as they aggressively try to recapture lost market share.

While [Hyundai](#) and [Kia](#) sales are strong, neither currently have high enough inventory levels to support incentive programs big enough to compete with the Japanese brands. Neither of the Korean brands have the production capacity to satisfy current demand for their products as evidenced by their ultra-lean 19-day supply of vehicles currently available to consumers. Under these conditions, consumers in the market for a new vehicle will likely find plenty of attractive deals in the latter part of the fourth quarter.

"While the earthquake in Japan halted sales recovery earlier this year, the anticipated push by the Japanese to recapture market share will likely help sales later this year," said Alec Gutierrez, manager of vehicle valuation for Kelley Blue Book. "Since May, Japanese brands have given up considerable market share to both domestic and Korean manufacturers."

In addition to increased incentive spending during the fourth quarter, many highly anticipated redesigns will be hitting U.S. shores for the first time. The 2012 [Toyota Camry](#), [Honda CR-V](#) and Honda [Civic](#) are but a few of the major redesigns either just hitting dealerships or expected to hit dealerships later this year. Typically, Japanese redesigns are strong sellers; however, they are entering today's competitive market. In the compact segment, the Civic will face strong competition from the all-new [2012 Ford Focus](#), new for [2011 Hyundai Elantra](#) and the hot-selling [Chevrolet Cruze](#). In fact, the Cruze has been the best performing seller in the segment for the past several months and on a year-to-date basis the Cruze only trails the [Corolla](#) by slightly more than 1,000 units for outright segment leadership. While increased supplies, lucrative incentives and new product should certainly help the Japanese improve their sales figures, they are facing an aggressive market.

The monthly *Blue Book Market Report* explores the state of the automotive industry by analyzing Kelley Blue Book® Wholesale Lending Values. The report also discusses developments in residual values and trends in monthly used-car shopper activity on [kbb.com](#). If you would like to subscribe to the monthly *Blue Book Market Report*, please e-mail

pr@kbb.com.

For more information and news from Kelley Blue Book's kbb.com, visit www.kbb.com/media/, follow us on Twitter at www.twitter.com/kelleybluebook (or @kelleybluebook), or like our page on Facebook at www.facebook.com/kbb.

About Kelley Blue Book (www.kbb.com)

Founded in 1926, Kelley Blue Book, The Trusted Resource®, is the only vehicle valuation and information source trusted and relied upon by both consumers and the industry. Each week the company provides the most market-reflective values in the industry on its top-rated website www.kbb.com, including its famous Blue Book® Trade-In and Retail Values and Fair Purchase Price, which reports what others are paying for new cars this week. The company also provides vehicle pricing and values through various products and services available to car dealers, auto manufacturers, finance and insurance companies as well as governmental agencies. Kbb.com provides consumer pricing and information on [minivans](#), [pickup-trucks](#), [cars](#), [hybrids](#) and [SUVs](#). Kelley Blue Book Co. Inc. is a wholly owned subsidiary of AutoTrader.com.

SOURCE Kelley Blue Book

<https://mediaroom.kbb.com/press-releases?item=105998>